

**Ashcroft Indian Band  
Consolidated Financial Statements  
For the year ended March 31, 2022**

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**Consolidated Financial Statements**  
**For the year ended March 31, 2022**

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## Management's Responsibility for Financial Reporting

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The accompanying consolidated financial statements of the Ashcroft Indian Band are the responsibility of management and have been approved by the Chief and another Band Councilor of the Band Council.

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards. Financial statements are not precise since they include certain amounts based on estimates and judgments. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances, in order to ensure that the financial statements are presented fairly, in all material respects.

The Ashcroft Indian Band maintains systems of internal accounting and administrative controls of sufficient quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and the Band's assets are appropriately accounted for and adequately safeguarded.

The Ashcroft Indian Band Council is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council carries out this responsibility principally through the Band's Council.

The Chief and Council review the Band's consolidated financial statements and recommend their approval. The Chief and Council meet periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the annual report, the financial statements and the external auditor's report. The Chief and Council takes this information into consideration when approving the financial statements for issuance to the members. The Chief and Council also appoint the external auditors.

The consolidated financial statements have been audited by BDO Canada LLP in accordance with Canadian generally accepted auditing standards on behalf of the members. BDO Canada LLP has full access to the Band Council.

  
\_\_\_\_\_  
Councilor  
  
\_\_\_\_\_  
Finance Manager

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## Independent Auditor's Report

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To the Chief and Council of Ashcroft Indian Band

**Qualified Opinion**

We have audited the accompanying consolidated financial statements of Ashcroft Indian Band (The "Band"), which comprise the consolidated statement of financial position as at March 31, 2022 and the consolidated statements of change in net financial assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Band as at March 31, 2022, and its financial performance and its cash flows for the year then ended in accordance Canadian public sector accounting standards.

**Basis for Qualified Opinion**

We were unable to satisfy ourselves regarding the appropriate accounting treatment of the Band's investment in Nlaka'pamux Resources Limited Partnership (the "Limited Partnership") due to an inability to access information regarding ownership. Management has recorded the investment at cost; however, we were unable to determine whether the investment in the Limited Partnership should be recorded on a cost or modified equity basis. Consequently, we were unable to determine whether any adjustments to these amounts were necessary. Management was unable to quantify the impact of this limitation on the value of its investments as at March 31, 2022 and 2021, the related investment income for the years ended March 31, 2022 and 2021, and the equity in investments as at March 31, 2022 and 2021.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Band in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Band's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Band or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Band's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Band's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Band's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Band to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Band to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Kamloops, British Columbia  
July 28, 2022

**Ashcroft Indian Band**  
**Consolidated Statement of Financial Position**

<u>As at March 31</u>	<u>2022</u>	<u>2021</u>
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 2,784,027	\$ 2,169,441
Restricted cash (Note 3)	7,099	6,298
Accounts receivable (Note 4)	970,787	907,545
Investments (Note 5)	29,479	29,479
Due from Ashcroft Indian Band Development LLP (Note 6)	<u>2,392,969</u>	<u>2,660,358</u>
	<u>6,184,361</u>	<u>5,773,121</u>
<b>Liabilities</b>		
Accounts payable	173,263	249,694
Deferred revenue (Note 7)	1,592,369	1,723,904
Long term debt (Note 8)	<u>562,239</u>	<u>656,298</u>
	<u>2,327,871</u>	<u>2,629,896</u>
<b>Net Financial Assets</b>	<u>3,856,490</u>	<u>3,143,225</u>
<b>Non-financial Assets</b>		
Prepaid expenses	76,530	74,456
Tangible capital assets (Note 9)	<u>11,629,473</u>	<u>10,935,929</u>
	<u>11,706,003</u>	<u>11,010,385</u>
<b>Accumulated Surplus</b> (Note 10)	<u>\$ 15,562,493</u>	<u>\$ 14,153,610</u>
<b>Commitments</b> (Note 11)		
<b>Contingencies</b> (Note 12)		

Approved on behalf of the Band Council:

Earl Ober \_\_\_\_\_ Councillor

A. All \_\_\_\_\_ Councillor

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**Ashcroft Indian Band**  
**Consolidated Statement of Change in Net Financial Assets**

<b>For the year ended March 31</b>	<b>2022</b>	<b>2021</b>
<b>Annual surplus</b>	<b>\$ 1,408,085</b>	<b>\$ 1,508,778</b>
Acquisition of tangible capital assets (Note 9)	(1,320,632)	(874,427)
Amortization of tangible capital assets (Note 9)	599,257	346,977
Disposal of tangible capital assets (Note 9)	27,831	-
	<b>714,541</b>	<b>981,328</b>
Change in prepaid expenses	(2,075)	24,850
Equity change in Ottawa Trust	799	732
<b>Change in net financial assets</b>	<b>713,265</b>	<b>1,006,910</b>
<b>Net financial assets, beginning of year</b>	<b>3,143,225</b>	<b>2,136,315</b>
<b>Net financial assets, end of year</b>	<b>\$ 3,856,490</b>	<b>\$ 3,143,225</b>

**Ashcroft Indian Band  
Consolidated Statement of Operations**

<b>For the year ended March 31</b>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Indigenous Services Canada ("ISC")	\$ 2,242,839	\$ 1,734,253
ISC reimbursement (recovery)	-	(32,547)
ISC additional reimbursements	-	160,573
First Nations Health Authority	387,457	371,567
Province of BC	616,800	679,305
Miscellaneous income	1,554,785	1,947,040
Rental income	130,794	57,282
Elders rental income	34,984	-
	<b>4,967,659</b>	4,917,473
<b>Expenses</b>		
Community Welfare	1,002,676	981,405
Administration	1,299,245	1,542,294
Operations & Maintenance	899,148	550,998
Education	206,070	188,651
Natural Resources & Economic Development	80,244	115,347
Capital	72,191	30,000
	<b>3,559,574</b>	3,408,695
<b>Annual surplus</b>	<b>\$ 1,408,085</b>	<b>\$ 1,508,778</b>

**Ashcroft Indian Band**  
**Consolidated Statement of Cash Flows**

<u>For the year ended March 31</u>	<u>2022</u>	<u>2021</u>
<b>Operating activities</b>		
Cash receipts from various sources	\$ 4,709,640	\$ 5,869,796
Cash paid to employees and suppliers	<u>(2,947,753)</u>	<u>(3,005,175)</u>
<b>Cash flows from operating activities</b>	<u><b>1,761,887</b></u>	<u><b>2,864,621</b></u>
<b>Capital activity</b>		
Acquisition of tangible capital assets	<u>(1,320,632)</u>	<u>(874,427)</u>
<b>Investing activities</b>		
Change in equity in Ottawa Trust	801	732
Loans and advances with related parties	<u>267,389</u>	<u>(87,314)</u>
<b>Cash flows used in investing activities</b>	<u><b>268,190</b></u>	<u><b>(86,582)</b></u>
<b>Financing activity</b>		
Repayment of long term debt	<u>(94,058)</u>	<u>(44,296)</u>
<b>Net increase in cash and cash equivalents</b>	<b>615,387</b>	1,859,316
<b>Cash and cash equivalents, beginning of year</b>	<b>2,175,739</b>	316,423
<b>Cash and cash equivalents, end of year</b>	<b>\$ 2,791,126</b>	<b>\$ 2,175,739</b>
<b>Represented by:</b>		
Cash	\$ 2,784,027	\$ 2,169,441
Restricted cash	<u>7,099</u>	<u>6,298</u>
	<b>\$ 2,791,126</b>	<b>\$ 2,175,739</b>

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## Ashcroft Indian Band Notes to Consolidated Financial Statements

**March 31, 2022**

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### **1. Significant Accounting Policies**

**Basis of Presentation** These financial statements have been prepared in accordance with Canadian public sector accounting standards, as defined in the CPA Canada Public Sector Accounting Handbook, which encompasses the following principles.

**Reporting Entity and Principles of Financial Reporting** The Ashcroft Indian Band (the "Band") reporting entity includes the Ashcroft Indian Band government and all related entities which are accountable to the Ashcroft Indian Band and are either owned or controlled by the Ashcroft Indian Band.

These financial statements consolidate the assets, liabilities and results of operations for the following wholly-owned, incorporated entity which uses accounting principles which lend themselves to consolidation:

- Ashcroft Indian Band Holding Corporation

All inter-entity balances have been eliminated on consolidation.

**Revenue Recognition** Government grants and transfers, which include Federal funding agreements, are recognized in the financial statements in the period in which events giving rise to the transfers occur, provided the transfers are authorized, any eligibility criteria have been met except to the extent that transfer stipulations give rise to an obligation that meets the definition of a liability and reasonable estimates of the amount can be made. When the eligibility criteria is not met, transfers received are reflected as deferred revenue in the year of receipt and classified as such on the Consolidated Statement of Financial Position.

Rental revenue is recognized when a tenant commences occupancy and rent is due. Ashcroft Indian Band retains all benefits and risks of ownership of its property and, therefore, accounts for leases with its tenants as operating leases.

Periodic revenue is recognized on an accrual basis in the period earned.

**Ottawa Trust Funds** Ashcroft Indian Band uses the accrual method of accounting for Ottawa Trust Fund revenues earned in the Fund. Trust monies are recognized in revenue of the Band upon withdrawal from the Ottawa Trust Fund.

**Cash and Cash Equivalents** Cash and cash equivalents consist of cash on hand, bank balances and investments that are redeemable or with maturities of three months or less from the date of acquisition.

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## Ashcroft Indian Band Notes to Consolidated Financial Statements

**March 31, 2022**

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### **1. Significant Accounting Policies (continued)**

**Investments** The Band accounts for its investments in All Nations Trust Company, Nlaka'pamux Resources Ltd. and Nlaka'pamux Resources Limited Partnership ("the partnership") using the cost method. Distributions received from the partnership and dividends from the corporations are included in income as received.

The Band accounts for its 99.99% interest in its self-sustaining government business partnership, Ashcroft Indian Band Development LLP, using the modified equity method. Under the modified equity method the cost of this investment is adjusted by the earnings or losses of Ashcroft Indian Band Development LLP from the date of acquisition.

Inter-entity balances and transactions are not eliminated under the modified equity method.

**Tangible Capital Assets** Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to acquisition or construction of the tangible capital assets including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the donation, with a corresponding amount recorded at revenue. Amortization is recorded on a declining balance basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Automotive equipment	30%
Buildings	4%
Computer equipment	50%
Furniture and equipment	20%
Infrastructure	4%
Machinery	30%

Leasehold improvements are amortized at a rate of 10% using a straight-line method.

No amortization is taken on assets under construction until the asset is fully developed.

**Use of Estimates** The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make assumptions and estimates that have an effect on the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could be different from those estimates.

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## **Ashcroft Indian Band** **Notes to Consolidated Financial Statements**

**March 31, 2022**

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### **1. Significant Accounting Policies (continued)**

#### **Deferred Revenue**

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general purposes are accounted for as deferred revenue on the statement of financial position. The revenue is recognized in the statement of operations in the year in which it is used for the specific purposes.

#### **Segmented Disclosure**

A segment is defined as a distinguishable activity or group of activities of a government for which it is appropriate to separately report financial information to achieve the objectives of the Band. The Band identifies its segments based on specific projects and funding arrangements. Revenue and expenses are allocated to these segments according to methods of identification.

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## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

**March 31, 2022**

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#### **2. Economic Dependence**

The Band receives a significant portion of its revenue pursuant to a funding arrangement with Indigenous Services Canada.

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#### **3. Restricted Cash**

	<b>2022</b>	<b>2021</b>
	<b>\$ 7,099</b>	<b>\$ 6,298</b>

The Ottawa Trust accounts arise from monies derived from capital or revenue sources as outlined in Section 62 of the *Indian Act*. These funds are held in trust in the Consolidated Revenue Fund of the Government of Canada and are subject to audit by the Office of the Auditor General of Canada. These funds are restricted in their use. The Band is permitted to use its revenue for any purpose that will promote the general progress and welfare of the Band and Band members. The expenditures of capital funds requires the consent of Indigenous Services Canada and generally must be for projects of a capital nature.

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#### **4. Accounts Receivable**

Accounts receivable by program area is summarized as follows:

	<b>2022</b>	<b>2021</b>
Trade accounts receivable	\$ 821,289	\$ 897,761
ISC accounts receivable	139,714	-
Employee loan receivable	54,794	54,794
Allowance for doubtful loans receivable	(45,010)	(45,010)
	<b>\$ 970,787</b>	<b>\$ 907,545</b>

Included in employee loans receivable is \$9,874 (2021 - \$9,874) in loans receivable from key management. These loans require bi-weekly repayments, are non-interest bearing, and repayable in full within thirty days if demanded.

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## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

**March 31, 2022**

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**5. Investments**

	<b>2022</b>	<b>2021</b>
Investment in Ashcroft Indian Band Development LLP	\$ 200	\$ 200
Investment in All Nations Trust Company	8,175	8,175
Investment in Nlaka'pamux Resources Limited Partnership	<u>21,104</u>	<u>21,104</u>
	<b>\$ 29,479</b>	<b>\$ 29,479</b>

*Ashcroft Indian Band Development LLP*

Ashcroft Indian Band Development LLP has been recorded at \$1 until such time that the cumulative equity loss of \$945,914 (2021 - \$1,070,126) is extinguished. No loss has been recorded as the Band has no obligation to fund the losses of the LLP.

Summary of the audited financial statements of Ashcroft Indian Band Development LLP, a government business partnership, for the year ended March 31, 2022 are as follows:

**Statement of Financial Position**

	<b>2022</b>	<b>2021</b>
Cash	\$ 361,842	\$ 547,550
Accounts receivable	105,970	84,069
Prepaid expenses	852,409	877,026
Tangible capital assets	<u>2,785,754</u>	2,939,701
Inventory	230,343	270,420
Franchise fees	<u>13,500</u>	19,000
	<b>\$ 4,349,818</b>	<b>\$ 4,737,766</b>
Accounts payable	149,321	207,265
Due to related parties	2,392,969	2,660,358
Long-term debt	2,753,651	2,940,269
Partners' deficiency	<u>(946,123)</u>	(1,070,126)
	<b>\$ 4,349,818</b>	<b>\$ 4,737,766</b>

**Statement of Operations**

	<b>2022</b>	<b>2021</b>
Revenue	\$ 8,518,310	\$ 7,277,201
Cost of sales	<u>6,522,599</u>	5,188,414
Gross profit	1,995,711	2,088,787
Expenses	<u>1,871,708</u>	1,822,851
Net income for the year	<b>\$ 124,003</b>	<b>\$ 265,936</b>

The Band has not recorded an equity loss on the investment, as the Partnership agreement does not require the Band to fund any deficits; nor has the Partnership issued a capital call to its partners.

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## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

**March 31, 2022**

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#### **6. Due From Related Party**

The advances to Ashcroft Indian Band Development LLP, a government business partnership, are unsecured non-interest bearing with no specific terms of repayment. This loan has been subordinated in favor of the bank loan the Band has guaranteed.

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#### **7. Deferred Revenue**

Deferred revenue represents amounts received that relate to a subsequent period. A breakdown of deferred revenue is as follows:

	<b>2022</b>	<b>2021</b>
<b>Operating Fund</b>		
Indigenous Services Canada		
Basic Needs	\$ 60,523	\$ 17,976
Service Delivery	-	39
Institutional Care	5,969	-
In-Home Care	2,087	-
Wildfire Portion	-	91
Special Needs	2,308	-
Specific Claims Water Rights	66,734	-
Disaster Relief	-	36,456
	<hr/>	<hr/>
	137,621	54,562
<b>Other deferred revenue</b>	<b>148,811</b>	648,855
Rural Dividend	-	184,064
	<hr/>	<hr/>
	<b>286,432</b>	887,481
<b>Capital Fund</b>		
Indigenous Services Canada		
Pilot Shed	233,138	284,761
Graveyard	-	1,858
Water Diversion Program	139,506	167,924
Campground COVID-19 Relief	-	381,880
Reservoir Upgrade	796,319	-
MJR Renos	32,866	-
ACRS Road Top-up	79,108	-
Administration - Other Infrastructure	25,000	-
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	<b>1,305,937</b>	836,423
	<hr/>	<hr/>
	<b>\$ 1,592,369</b>	\$ 1,723,904

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**Ashcroft Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

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**8. Long Term Debt**

	<b>2022</b>	<b>2021</b>
<b>Ashcroft Indian Band</b>		
Term loan, repayable in monthly installments of \$2,950 including interest at Prime plus 1.87%, due June 2022.	\$ 8,574	\$ 43,040
Term loan, repayable in fixed monthly payments of \$6,362 including interest at Prime plus 1%, due January 2023.	<u>553,665</u>	<u>613,258</u>
	<b><u>\$ 562,239</u></b>	<b><u>\$ 656,298</u></b>

The estimated principal repayments on the above long term debt required until maturity are as follows:

2023	<u>\$ 562,239</u>
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The loans stated above are secured by a first ranking security interest in all personal property of the Band.

**Ashcroft Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**9. Tangible Capital Assets**

	<b>2022</b>								
	Assets under construction	Automotive equipment	Buildings	Computer equipment	Furniture and equipment	Infrastructure	Leasehold improvements	Machinery	Total
Cost, beginning of year	\$ 369,600	\$ 492,687	\$ 8,258,905	\$ 209,412	\$ 326,482	\$ 3,579,053	\$ 431,108	\$ 472,617	\$ 14,139,864
Additions	-	127,725	14,727	-	56,006	1,115,149	-	7,025	1,320,632
Disposals		(38,520)	-	-	-	-	-	-	(38,520)
Transfers	(313,899)	-	313,899	-	-	-	-	-	-
Cost, end of year	55,701	581,892	8,587,531	209,412	382,488	4,694,202	431,108	479,642	15,421,976
Accumulated amortization, beginning of year	-	302,250	1,857,563	138,473	250,653	(14,867)	350,643	319,220	3,203,935
Amortization	-	67,940	253,250	35,470	22,139	167,595	-	52,863	599,257
Disposals	-	(10,689)	-	-	-	-	-	-	(10,689)
Accumulated amortization, end of year	-	359,501	2,110,813	173,943	272,792	152,728	350,643	372,083	3,792,503
Net carrying amount, end of year	\$ 55,701	\$ 222,391	\$ 6,476,718	\$ 35,469	\$ 109,696	\$ 4,541,474	\$ 80,465	\$ 107,559	\$ 11,629,473

**Ashcroft Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**9. Tangible Capital Assets (continued)**

	2021								
	Assets under construction	Automotive equipment	Buildings	Computer equipment	Furniture and equipment	Infrastructure	Leasehold improvements	Machinery	Total
Cost, beginning of year	\$ 1,098,465	\$ 448,677	\$ 7,338,791	\$ 124,192	\$ 296,549	\$ 3,178,567	\$ 431,108	\$ 349,088	\$ 13,265,437
Additions		44,010	191,249	85,220	29,933	400,486	-	123,529	874,427
Transfers	(728,865)	-	728,865	-	-	-	-	-	-
Cost, end of year	369,600	492,687	8,258,905	209,412	326,482	3,579,053	431,108	472,617	14,139,864
Accumulated amortization, beginning of year	-	259,134	1,691,295	111,544	226,431	(68,633)	350,643	286,544	2,856,958
Amortization	-	43,116	166,268	26,929	24,222	53,766	-	32,676	346,977
Accumulated amortization, end of year	-	302,250	1,857,563	138,473	250,653	(14,867)	350,643	319,220	3,203,935
Net carrying amount, end of year	\$ 369,600	\$ 190,437	\$ 6,401,342	\$ 70,939	\$ 75,829	\$ 3,593,920	\$ 80,465	\$ 153,397	\$ 10,935,929

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## Ashcroft Indian Band

### Notes to Consolidated Financial Statements

**March 31, 2022**

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#### **10. Accumulated Surplus**

Accumulated surplus of the Band is comprised of the following:

	<b>2022</b>	<b>2021</b>
Equity in investments (Note 5)	\$ 29,479	\$ 29,479
Equity in Ottawa Trust (Note 3)	7,099	6,298
Equity in tangible capital assets	11,067,234	10,279,632
Unrestricted surplus	<u>4,458,681</u>	<u>3,838,201</u>
	<hr/> <b>\$ 15,562,493</b>	<hr/> <b>\$ 14,153,610</b>

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#### **11. Commitments**

Ashcroft Indian Band has entered into lease agreements for photocopiers and office space. Minimum annual lease payments due over the next four years and thereafter, until expiry, are approximately as follows:

2023	\$ 12,226
2024	1,848
2025	1,848
2026	<u>616</u>
	<hr/> <b>\$ 16,538</b>

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#### **12. Contingencies**

Ashcroft Indian Band has signed a guarantee and postponement of claim for a loan made to Ashcroft Indian Band Development LLP. As at March 31, 2022, the loan had an outstanding balance of \$2,753,651 (2021 - \$2,940,269). The loan is secured by tangible capital assets with a carrying amount of \$2,785,754.

The Band has an unused credit facility, with a limit of \$50,000, which when drawn upon bears interest at prime plus 2% and is unsecured.

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#### **13. Fiscal Plan**

Canadian public sector accounting standards requires that the Band's budget be presented in the financial statements. As the Band currently does not prepare a budget, no budgeted figures have been presented as otherwise required.

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## **Ashcroft Indian Band** **Notes to Consolidated Financial Statements**

**March 31, 2022**

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### **14. Employee Benefits**

The Band has a defined contribution plan providing pension benefits to certain employees. The pension cost charge represents contributions payable by the Band to the plan and amounts to \$141,630 (2021 - \$168,278).

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### **15. Impacts on Ashcroft Indian Band**

As the impacts of COVID-19 continue, there could be further impact on the Band, its funders and its business entities. The Band has continued to deliver services during this pandemic through a variety of means, whether face-to-face or utilizing technology as the Band was deemed an essential service. Management is actively monitoring the effect on its financial condition, liquidity, operations and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Band is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

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### **16. Comparative Figures**

Certain comparative figures have been reclassified to conform with the current year's basis of presentation.

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**Ashcroft Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

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**17. Expenses by Object**

	<b>2022</b>	<b>2021</b>
Amortization	\$ 599,257	\$ 346,977
Bad debts	54,466	7,123
Bank charges	21,209	37,731
Contract services	62,643	84,993
COVID-19	4,112	126,571
Food	4,258	3,599
Fuel	66,240	50,104
Honoraria	220,100	222,022
Insurance	114,872	106,251
Materials and supplies	83,408	153,065
Miscellaneous expense (recovery)	-	(465)
Professional fees	505,980	635,117
Program activities	280,003	238,267
Lease	21,978	24,309
Repairs and maintenance	103,164	62,284
Social development	245,780	282,007
Student allowances	71,972	77,564
Telephone	27,250	30,939
Training	3,835	2,948
Travel	38,192	20,168
Tuition	70,669	56,968
Utilities	33,434	20,170
Vehicle expenses	32,877	34,722
Wages and benefits	892,544	785,261
Loss on sale of asset	1,331	-
	<hr/> <b>\$ 3,559,574</b>	<hr/> <b>\$ 3,408,695</b>

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## **Ashcroft Indian Band** **Notes to Consolidated Financial Statements**

**March 31, 2022**

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### **18. Segment Disclosure**

The Band is a diversified First Nations organization that provides a wide range of services to its members. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

#### **Community Welfare**

This service area provides services to help the Members by providing a variety of programs, community services and social assistance.

#### **Administration**

This item relates to the revenues and expenses that relate to the operations of the Band itself and cannot be directly attributed to a specific segment.

#### **Operations and Maintenance**

This service area provides services relating to the development, maintenance and service of the Band's assets, infrastructure and common property.

#### **Education**

This service area provides educational services through post secondary education support and the operations of various other educational programs. The goal of this segment is to enhance the educational opportunities of the Band's Members.

#### **Natural Resources and Economic Development**

This service area provides for the development of economic opportunities to the Members, along with the exploration of the development of natural resource revenues.

#### **Capital**

This service area provides for the development of new capital projects and infrastructure programs on the reserve.

**Ashcroft Indian Band**  
**Notes to Consolidated Financial Statements**

**March 31, 2022**

**19. Segment Disclosure -  
continued**

		2022						
		Community Welfare	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Total
<b>Revenue</b>								
ISC		\$ 1,480,551	\$ 305,784	\$ 200,929	\$ 203,952	\$ -	\$ 51,623	\$ 2,242,839
Other		909,798	980,683	18,745	-	705,610	109,984	2,724,820
Total		2,390,349	1,286,467	219,674	203,952	705,610	161,607	4,967,659
<b>Expenses</b>								
Wages & benefits		200,448	415,035	105,083	48,160	65,335	12,000	846,061
Purchases		802,228	884,210	194,808	157,910	14,909	60,191	2,114,256
Amortization		-	-	599,257	-	-	-	599,257
Total		1,002,676	1,299,245	899,148	206,070	80,244	72,191	3,559,574
Surplus (deficit)		\$ 1,387,673	\$ (12,778)	\$ (679,474)	\$ (2,118)	\$ 625,366	\$ 89,416	\$ 1,408,085

		2021						
		Community Welfare	Administration	Operations & Maintenance	Education	Natural Resources & Economic Development	Capital	Total
<b>Revenue</b>								
ISC		\$ 777,798	\$ 277,577	\$ 167,923	\$ 187,989	\$ (16,247)	\$ 339,213	\$ 1,734,253
Other		1,474,880	1,096,761	35,892	-	575,687	-	3,183,220
Total		2,252,678	1,374,338	203,815	187,989	559,440	339,213	4,917,473
<b>Expenses</b>								
Wages & benefits		187,912	427,139	37,373	43,005	28,244	30,000	753,673
Purchases		793,493	1,115,155	166,648	145,646	87,103	-	2,308,045
Amortization		-	-	346,977	-	-	-	346,977
Total		981,405	1,542,294	550,998	188,651	115,347	30,000	3,408,695
Surplus (deficit)		\$ 1,271,273	\$ (167,956)	\$ (347,183)	\$ (662)	\$ 444,093	\$ 309,213	\$ 1,508,778